

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> in our Board Charter on Company website	
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and		<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

⁴ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

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	<p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>		
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Board Charter on company website</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	

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PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> on the Company website</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the length of service of each director:</p> <p><input checked="" type="checkbox"/> in our Directors Report in the Annual Report</p>	
2.4	<p>A majority of the board of a listed entity should be independent directors.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	

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2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> on the Company website	

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PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>		<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement	
4.3	<p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement	

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PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> on our Company website	
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at www.gascoyneresources.com.au	
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Communications Policy on the Company website	
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Communications Policy on the Company website	
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that		<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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	satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.		
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound: <input checked="" type="checkbox"/> in our Corporate Governance Statement ... and that such a review has taken place in the reporting period covered by this Appendix 4G: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: <input checked="" type="checkbox"/> in our Corporate Governance Statement	

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PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> on the Company website</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Nomination and Remuneration Committee Charter on the Company website</p>	
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>		<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Statement

The directors of Gascoyne Resources Limited believe that effective corporate governance improves company performance, enhances corporate social responsibility and benefits all stakeholders. Governance practices are not a static set of principles and the Group assesses its governance practices on an ongoing basis. Changes and improvements are made in a substance over form manner, which appropriately reflect the changing circumstances of the Group as it grows and evolves. Accordingly, the board has established a number of practices and policies to ensure that these intentions are met and that all shareholders are fully informed about the affairs of the Group, being Gascoyne Resources Ltd and its controlled entities.

The Group has a corporate governance section on the website at www.gascoyneresources.com.au. The section includes details on the Group's governance arrangements and copies of relevant policies and charters.

The Group complies with the Corporate Governance Principles and Recommendations 3rd Edition ("the ASX Principles") where appropriate. For ease of comparison to the ASX Principles, this Corporate Governance Statement addresses each of the 8 principles in turn. Where the Group has not followed a recommendation this is identified in the table below, with the reasons for not following the recommendation explained under the relevant section below. This disclosure is made on 26 September 2018 in accordance with ASX listing rule 4.10.3, and has been approved by the board of directors.

ASX Recommendation	Description
1.5	The Group did not have a Diversity Policy in place for the entire year. The Group did not set measurable objectives for achieving gender diversity.
4.1 and 7.1	The Audit and Risk Committee was not chaired by an independent director for the entire year.
8.3	The Group has an equity based remuneration scheme and does not have a policy on whether participants are permitted to enter into transactions which limit the economic risk of participating in the scheme.

PRINCIPLE 1 - LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The board operates in accordance with the principles set out in its Board Charter which is available from the corporate governance section of the Company's website.

Recommendation 1.1 - Roles and Responsibilities

The Board Charter includes disclosure on the respective roles and responsibilities of its board and management and those matters expressly reserved to the board and those delegated to management.

Recommendation 1.2 - Nomination of Directors

The Group undertakes appropriate checks before appointing a director or putting forward to security holders a candidate for election. The Group also provides security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

Recommendation 1.3 - Written Agreements

The Group has a written agreement with each director and senior executive setting out the terms and conditions of their appointment.

Recommendation 1.4 - Company Secretary

The company secretary of the Group is accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

Recommendation 1.5 - Diversity Policy

The Group did not comply with ASX Recommendation 1.5 in full for the whole of the financial year. The Group recognises the benefits arising from employee and board diversity and established a diversity policy during the year that is available from the corporate governance section of the Group's website. The Group has not set measurable objectives for achieving gender diversity, instead seeking to employ the best candidate for the role.

Gender Diversity Disclosures

	2018		2017	
	No.	%	No.	%
Women on the Board	1	17	1	13
Women in senior executive roles	1	25	1	25
Women employees in the Group	9	15	2	33

"Senior executive" has been defined in accordance with the definition of "Senior Manager" in the Corporations Act 2001 for the purpose of the table above.

Recommendation 1.6 - Board Performance

The Chairman, with the guidance of the nomination and remuneration committee, reviews the performance of the board, its committees and individual directors each year to assist in a continuous improvement process to enhance the effectiveness of the board. A non-executive director reviews the performance of the Chairman, after having canvassed the views of the other directors. Performance evaluations were undertaken in the period under review in accordance with this process.

Recommendation 1.7 - Senior Executive Performance

The Managing Director reviews the performance of senior executives each year. Performance during the previous 12 months is assessed against relevant performance indicators, and role expectations and goals are set for the following year. Performance evaluations were not undertaken in the period under review in accordance with this process for all senior executives.

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

The board operates in accordance with the principles set out in its Board Charter which is available from the corporate governance section of the Group's website.

Recommendation 2.1 - Nomination Committee

The board has a nomination and remuneration committee. A copy of the Nomination and Remuneration Committee Charter is available from the corporate governance section of the Group's website.

The Group complied with ASX Recommendation 2.1. The committee was comprised of three members, a majority of whom, including the Chairman, are independent for the entire year. The board believes the committee is structured to act in the best interests of the Group as no individual or interest group is able to dominate decision making. Sally-Anne Layman was appointed to the committee during the year upon the resignation of Gordon Dunbar. The conflict of interest arising from Gordon Dunbar's relationship with the Managing Director was managed by him not being permitted to participate in any decision making in relation to the performance or remuneration of the Managing Director.

Committee Members	2018	
	No. meetings held	No. meetings attended
Rodney Michael Joyce (Chairman) - Independent	4	4
Gordon Dunbar – Not Independent - related to the Managing Director	1	1
Sally-Anne Layman - Independent	3	3
Graham Riley - Independent	4	4

Recommendation 2.2 - Board Skills Matrix

The Group is focused on exploration, development and production of a number of gold projects in Western Australia. It aims to create shareholder wealth from its mineral assets and identify new opportunities for further value add. The following table details the mix of skills that the board believes should be represented on the board.

Skill	Qualifications and attributes
Industry experience	The board seeks to have directors with mineral exploration, mine development and mine production experience, preferably with a qualification in geology or mine engineering.
Leadership experience	The board seeks to have directors who have previously held significant leadership positions such as CEO positions.
Finance experience	The board requires all directors to be financially literate and seeks to have some directors with legal, chartered accounting and corporate advisory qualifications and / or experience.
Listed company experience	The board requires all directors to be literate in governance and regulatory requirements of listed entities.

Board structure and composition is reviewed as and when the Group's strategic directions and activities change. The Group will only recommend the appointment of additional directors to your board where it believes the expertise and value added outweighs the additional cost. The board is seeking to appoint a non-executive director with recent open pit operational experience and a mining engineering background to support a well-balanced composition that is effective in meeting the needs of the Group.

Recommendation 2.3, 2.4 and 2.5 - Independent Directors

The independence status of each director is detailed as follows:

- Rodney Joyce (Chairman), appointed as director 20 April 2011 (7 years' service) – Independent
- Michael Dunbar (Managing Director), appointed as director 31 March 2011 (7 years' service) – not independent (executive director)
- John den Dryver, appointed as director 25 September 2009, resigned as director 18 April 2018 (8 years' service) - Independent
- Gordon Dunbar, appointed as director 25 September 2009, resigned as director 31 December 2017 (8 years' service) – not independent (related to the Managing Director)
- Ian Kerr (Executive Director Operations and Development), appointed as director 21 November 2017, retired as director 18 April 2018, re-appointed as director 31 July 2018 (less than 1 years' service)– not independent
- Sally-Anne Layman, appointed as director 7 June 2017 (1 years' service) - Independent
- Stanley Macdonald, appointed as director 20 April 2011 (7 years' service) – Independent
- Graham Riley, appointed as director 19 October 2009 (8 years' service) – Independent

The board had a majority of independent directors during the whole year. The role of chair of the board and the role of CEO of the Group are not performed by the same person.

Recommendation 2.6 – Director Induction and Professional Development

The Group has a program for inducting new directors. Directors are encouraged to undertake self-development and are provided with reimbursement of costs to a set limit for courses undertaken with the Chairman's approval.

PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

Recommendation 3.1 Code of Conduct

The board has adopted a Code of Business Conduct (**Code**) for its directors and employees. A copy of the Code is available from the corporate governance section of the Group's website and is made available to all employees of the Group.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

The board operates in accordance with the principles set out in its Audit and Risk Committee Charter. A copy of the Audit and Risk Committee Charter is available from the corporate governance section of the Group's website.

Recommendation 4.1 - Audit Committee

The board had an audit and risk committee comprising three members. The committee was comprised of three members and had a majority of independent members for the entire year. The committee was not chaired by an independent director for the entire year. The committee was chaired for part of the year by Gordon Dunbar, who was not an independent director. Upon his resignation, the committee was chaired by Sally-Anne Layman who is an independent director.

The board believes the committee is structured to act in the best interests of the Group as all members are financially literate and have extensive experience as directors of listed entities. A copy of the Audit and Risk Committee charter is available from the corporate governance section of the Group's website.

Committee Members	2018	
	No. meetings held ^(a)	No. meetings attended
Sally-Anne Layman (Chairman – part year), BE (Mining)(Hons), B.Com., CPA, AICD – Independent	2	2
Gordon Dunbar (Chairman – part year), BSc (Hons), MSc, FAusIMM, FAIG – Not independent	1	1
Rodney Michael Joyce, BSc (Hons), MSc, MAusIMM –Independent	3	3
Graham Riley, B.Juris LLB - Independent	3	3

Recommendation 4.2 – CEO and CFO Declaration

The Chief Executive Officer and Chief Financial Officer equivalents are required to provide the following certifications to the board each reporting period:

- That the Group's financial reports are complete and present a true and fair view, in all material respects, of the financial position and performance of the Company and Group, and are in accordance with relevant accounting standards; and
- That the reports were founded on a sound system of financial risk management and internal compliance and control.

Recommendation 4.3 – External Auditor Attendance at AGM

The board invites the Group's external auditor to attend the AGM and invites questions for the auditors from shareholders relevant to the audit at the AGM.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1 – Continuous Disclosure Policy

The Group has a Continuous Disclosure policy outlining procedures for compliance with ASX and corporations law continuous disclosure requirements. A copy of the policy is available from the corporate governance section of the Group's website.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation 6.1 – Access to Information

The Group provides investors with information about its operations through a variety of mediums. The Group provides information about itself and its governance to investors on the Group website.

Recommendation 6.2, 6.3 and 6.4 – Shareholder Communication

The Group operates in accordance with its Shareholder Communication Policy which is available from the corporate governance section of the Group's website.

All shareholders are encouraged to attend shareholder meetings and to use the opportunity to ask questions to management following the Managing Director's presentation.

New security holders receive correspondence from the Group regarding shareholder preferences for Annual Report and other communications which are implemented as possible where cost effective. The Group's website provides opportunity for security holders to communicate with both the share registry and the Group electronically, and all price sensitive information is announced to investors through the Australian Securities Exchange's Announcement Platform.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

Recommendation 7.1 – Risk Committee

During the year the risk management function of the Group was performed by the Audit and Risk Committee. Details of the membership, charter and meetings held by this committee are detailed at Recommendation 4.1 – Audit Committee above.

Recommendation 7.2 – Risk Management Framework

The board has reviewed the Group's risk management framework in the last 12 months and has satisfied itself that it continues to be sound.

Recommendation 7.3 – Internal Audit Function

The Group does not have an internal audit function. Financial and operating risks are addressed through individual approved policies and procedures covering financial, contract administration, and safety and environmental activities of the Group. In addition to financial audits, the Group engages an insurance brokering firm as part of the Group's annual assessment of the coverage for insured assets and risks. The results of these reviews are reported to the board at least annually. The board believes that it has a thorough understanding of the Group's key risks and is managing them appropriately.

The integrity of the Groups' financial reporting relies upon a sound system of risk management and control. The Chief Executive Officer and Chief Financial Officer equivalents are required to develop policies and procedures to help safe guard the Group's assets and to ensure that the Financial Statements of the Group are not materially misstated and present fairly the Group's financial position and performance. Accordingly, the Chief Executive Officer and Chief Financial Officer equivalents, to ensure management accountability, are required to provide a statement in writing to the board that the financial reports of the Group are based upon a sound risk management policy.

Recommendation 7.4 – Risk Exposures

The Group has a material exposure to financial, economic, environmental and social sustainability risks through its exploration and production activities. The Group mitigates these risks by ensuring that it has adequate funding to ensure that it is able to meeting its operating commitments and ensuring that it applies best practice procedures to ensure compliance with all relevant legal obligations. As the Group's activities have progressed towards the development and production stages, the Group has increasing material exposures to a variety of additional risks. The board is aware of this change in risk profile as the Group's activities change over time and seeks to engage with security holders in accordance with its Shareholder Communication Policy and assesses all development opportunities with consideration to these additional risks.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1 – Remuneration Committee

During the year the director and executive remuneration function of the Group was performed by the Nomination and Remuneration Committee. Details of the membership, charter and meetings held by this committee are detailed at Recommendation 2.1 – Nomination Committee above.

Recommendation 8.2 – Remuneration Policies

The remuneration of non-executive directors, executive directors and other senior executives is in accordance with the principles set out in its Nomination and Remuneration Committee Charter which is available from the corporate governance section of the Group's website.

Recommendation 8.3 - Equity Based Remuneration Schemes

The Group has an Employee Share Option Plan equity based remuneration scheme. It does not have a policy on whether participants are permitted to enter into transactions which limit the economic risk of participating in the scheme.